

**NEW JERSEY DEPARTMENT
OF
MILITARY AND VETERANS AFFAIRS**

**USPFO-NJ
INTERNAL REVIEW DIVISION**



**INTERNAL REVIEW PROGRAM
FISCAL YEAR 2001**

USPFO-NJ
INTERNAL REVIEW DIVISION
AUDIT PROGRAM
FISCAL YEAR 2001



PREPARED BY
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MISSION STATEMENT

The Internal Review and Audit Compliance Division provides a full spectrum of professional internal audit services to the Adjutant General, the United States Property and Fiscal Officer, Commanders, staffs and operating elements of the New Jersey Army and Air National Guard. The Internal Review Division conducts reviews of nonappropriated fund (NAFI's) when requested, with some accounts being accomplished quarterly and or semi-annually.

Additional information regarding Internal Review is contained in NJARNG Regulation 11-7/NJANG Regulation 175-01, dated 6 November 1996, titled Internal Review.

REQUESTING AUDIT SERVICES

New Jersey National Guard Managers and Commanders may request audit services at any time during the year. Each request will be given careful consideration, and if approved, will be scheduled as soon as practically possible. To obtain information on the type services which may be provided, or any other questions regarding the Internal Review Division, contact Denise McCleary at (609) 530-6764 or DSN 445-9764.

Requests may be submitted to this office on USPFO-NJ Form 2-14, Request for Audit Services. (A copy of this form can be found on Page 10 of this document and will be added to our web site (www.state.nj.us/military/USPFO/ir.htm))

AUDIT SCHEDULE FY 2001

| AUDIT TITLE | QUARTER | | | |
|--|---------|-----|-----|-----|
| | 1st | 2nd | 3rd | 4th |
| Under ground Storage Tanks (FU) | X | | | |
| 177th Impact Audit (FU) | X | | | |
| IMPAC ARNG (FU) | X | | | |
| ADSW Mandays (FU) | X | | | |
| Recyclable Materials Program (FU) | X | | | |
| Cash Meal Collection Sheets (FU) | X | | | |
| Med. Squadron Sustainment Documentation 108th ARW (FS) | | X | | |
| Accident Reporting Procedures ARNG (FU) | | X | | |
| Cooperative Funding Agreement 177th FW (FS) | | X | | |
| Cellular Telephone Management - ARNG(FS) | | X | | |
| National Guard Training Site Operations ARNG (FS) | | X | | |
| DPCS-HRO/ AGR Consolidation (C) | | X | | |
| New Jersey Guard Youth Camp (FU) | | X | | |
| Wing Management Control Program 108th ARW (C) | | | X | |
| IMPAC 108th ARW (FS) | | | X | |
| Report of Survey 108th ARW (FS) | | | X | |
| Life Support Equipment 108th ARW (FS) | | | X | |
| Velocity Management-ARNG (LS) | | | X | |
| Quality Assurance Financial Audit ARNG | | | X | |
| Environmental Protection 108th ARW (FS) | | | | X |
| Security Squadron Munitions Management 108th ARW (LS) | | | | X |
| Funds Control Management ARNG (FS) | | | | X |
| Cooperative Funding Agreement 108th FW (FS) | | | | X |
| Quality Assurance for Contracting Procedures - ARNG(C) | | | | X |
| Morale, Welfare and Recreation Program - ARNG(FS) | | | | X |

FY 01 AUDIT PURPOSE, SCOPE, AND OBJECTIVES

DPCS-HRO AGR Consolidation: This consulting service was requested by the CAO. The service will focus on determining if it is practical to combine AGR sections currently in the HRO and the Enlisted Personnel Section in DCPS together into one section.

IMPAC-ANG-108th ARW: This audit will focus on the adequacy and effectiveness of policies, systems, procedures, and management controls used in monitoring the IMPAC Credit Card Program. The review will include Unit level procedures, authorization, documentation, and accountability (if applicable) of purchases made, and timeliness of documentation to Finance for payment.

Reports of Survey-108th ARW: The 108thARW and USPFO requested this audit. The audit will focus on the adequacy and effectiveness of policies, procedures, and management controls used in monitoring of reports of survey for the Air National Guard. Review will cover losses of equipment and reasons for relieving individuals of liability.

Accident Reporting Procedures-ARNG: This audit will concentrate on those problem areas addressed in an audit conducted in FY93. This review will consist of a physical review of Command's and AO's policies and procedures followed when a vehicle accident is reported to them, the timeliness of reporting, and what, if any, corrective action has taken place.

Cooperative Funding Agreements-ANG-177th FW: This audit was requested by the USPFO. The agreements are reviewed periodically to ensure that Federal Government resources are being used and accounted for correctly. They are also reviewed to verify that personnel assigned and funded by the Agreements are being utilized for Federal Agreement tasks unequivocally.

Life Support Equipment-108th ARW: This report was requested by the 108th ARW. The audit will determine if required Life Support Equipment is properly ordered, maintained, accounted for, and is readily available for mobilization purposes. We will review current mobilization requirements and equipment on hand.

Velocity Management-ARNG: The audit was requested by the USPFO. The focus of the review will be to determine if the program is functioning at its full potential, and if any changes need to be made to correct the accuracy and timeliness of the processes.

Environmental Protection-ANG-108th ARW: This report was requested by the 108th ARW. This audit will determine the adequacy and effectiveness of policies, procedures, and management controls used in monitoring Environmental Compliance. Review will include verification of procedures and plans in place, prevention, detection, and controlling environmental hazards. Last audit issued 1994.

Funds Control Management-ARNG: This report was requested by the Comptroller. The review will determine the adequacy and effectiveness of policies, procedures, and management controls used in monitoring funds, reservations, and obligations by program managers.

Wing Management Control Program-108th ARW: The Wing requested this consulting service, to assist them in identifying key management controls across all Wing programs. It will focus on administrative and operational functions of daily operating procedures. It will include training of program Mgrs. and key Supervisors on how to establish and maintain a working program.

Medical Squadron Training Records -108th ARW: This audit was prompted by material weakness identified in training records by AFAA and further directed by ANGRC. This audit will focus on training documentation.

Security Squadron Munitions Management-108th ARW: The review will determine the adequacy of management controls used in the accountability of mobility munitions, which are reportable to AMC by security police and supply squadron.

Cooperative Funding Agreements-ANG-108th FW: This audit was requested by the USPFO. The agreements are reviewed periodically to ensure that Federal Government resources are being used and accounted for correctly. They are also reviewed to verify that personnel assigned and funded by the Agreements are being utilized for Federal Agreement tasks.

Cellular Telephone Management - ARNG: The review will determine the adequacy and effectiveness of policies, procedures, management controls used in monitoring federal dollars being spent on contracts, phone lines and personal call reimbursements.

Retention Incentive Program: The review will determine the adequacy and effectiveness of policies, procedures, and management controls used in the accountability of Bonus, GI Bill, Tuition Free programs.

Quality Assurance for Contracting Procedures- ARNG): The review will determine the adequacy and effectiveness of policies, procedures, and management controls used by P&C to comply with the Federal Acquisition Regulation. This audit will also focus on small business goal performances.

Morale, Welfare and Recreation Program (MWR) – ARNG: This report was requested by the Comptroller. The review will determine the adequacy and effectiveness of policies, procedures, and management controls in accordance with AR 215-1; MWR Program. This audit will focus on where operating dollars come from and how they are distributed. We will also verify what policies and standards have been put into place.

AUDIT SERVICES PROVIDED **DURING FY00**

AUDIT TITLE

Active Duty Special Work (ADSW) and Active Duty Training (ADT) Workdays Management # 99-7 The scope of this audit was to evaluate all policies and procedures, incorporated locally, to manage the training and special work workday programs. We found that the overall management was good, however, the management controls need to be strengthened. Program Managers need to be aware of the regulations that apply to technicians using training/special work workdays. A tracking system must be put in place to ensure that general officers and senior officers do not exceed limitations on workdays established by regulations.

Dual Comp QRA; 177th FW # 99-9 This quick reaction audit was accomplished to determine if management of workdays at the 177th FW was satisfactory. We found that key Management Controls were not in place, Management Control Plan was not established, dual compensation, and T&A records incomplete and not signed by certifying official. A training program must be conducted on proper maintenance, authorized use, signature, initials on forms and retention and functional filing of TA records. Financial Managers should review internal procedures. Dual Comp should be reviewed annually and placed into the Mgmt. Control. Prgm. The Financial Manager needs to review a sample of the TA records on a quarterly or semi-annual basis.

IMPAC Credit Card Program; NJARNG # 98-05 This review was requested by the USPFO-NJ to ensure that the program had been implemented properly and that cardholders are observing standards and regulatory guidance. We determined that management information reports, available from First Bank, were not utilized to evaluate card usage. Property records had not been charged or hand receipts issued when non-expendable pilferable property was purchased with the IMPAC credit card. The SOP requires revision to strengthen guidance in the area of card security and card utilization. We recommended that refresher training be conducted on annual basis for all cardholders and AO's to address SOP changes and procedural Requirements.

Cash Meal Payment Books; NJARNG # 99-08 This audit was requested by the USPFO to determine the adequacy of management controls relating to the Cash Meal Payment Books. Management Controls and procedures at MSC's, DOL food service operations, and Publications Branch needed some improvements to ensure that Cash Meal payment Books were accurately tracked and accounted for properly. While no major problems were identified in the limited review, we have determined that if controls were left unchecked, problems with loss of funds could occur.

AUDIT SERVICES PROVIDED

DURING FY00

(Continued)

Recyclable Materials Program; NJARNG #00-06 This audit was directed by the USPFO to determine the adequacy of management controls relating to the administration of proceeds from the sale of recycled materials to local vendors. Management controls at unit level were not effective to ensure that proceeds derived from the recycling program were forwarded to the USPFO-C for deposit in the proper account. We recommended that a policy be published informing everyone of the correct procedures on sales of recyclable items to private vendors.

AUDIT LIASION/SERVICES PROVIDED

Drug Testing Procedures; IR # 99-4
Compliance Review Guide; CRG-FM 003, IR # 00-01 108th ARW
Compliance Review Guide; CRG-FM 003, IR # 00-02 177th ARW
Recyclable Materials Program Proceeds; IR # 00-06 NJANG
Strategic Planning Meetings; IR # 00-08 NJANG
Research on Bona Fide Need Rule; IR # 00-11 NJANG

AUDITS IN PROGRESS

Cooperate Funding Agreements; ARNG
Report of Survey program; ARNG
Dual Compensation/Technician Pay 108th ARW

INTERNAL REVIEW DIVISION

Request for Audit Services

1. FROM: _____ 2. DATE: _____

3. THROUGH: _____ 4. TO: NJ-USPFO-IR

5. ACTIVITY TO BE REVIEWED: _____

6. Specific Activity/Program to be Reviewed: _____

7. **RATIONALE:** (In order for us to conduct or consider what priority to place on this request, include as much information as possible on the complexity of the problem).

8. **GOVERNING DIRECTIVES**

9. **POC/PHONE:** _____

10. **TIME PERIODS TO AVOID WHEN PLANNING THE AUDIT:**

SENSITIVITY RISK ANALYSIS

Conduct a risk assessment of the activity requested for review by assigning the appropriate value to the items listed below. **0-5=Low & 5-10=Med to High**

| | |
|---|-------|
| MISSION CRITICAL/MORALE IMPACT | _____ |
| DOLLAR VALUE INVOLVED | _____ |
| POTENTIAL FOR FRAUD, WASTE, OR ABUSE | _____ |
| PAST PROBLEM EXPERIENCE | _____ |
| POTENTIAL EMBARRASSMENT/ADVERSE PUBLICITY | _____ |

RISK TOTALS: _____

REQUESTER: (Print) Name, Rank, and Title **SIGNATURE:**

USPFO-NJ Form 2-14 (15 Oct 98)